

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-06 IO-10 ISO-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-01 H-01 INR-07 INT-05

L-02 LAB-04 NSAE-00 NSC-05 PA-01 RSC-01 AID-05

CIEP-01 SS-15 STR-01 TAR-01 TRSE-00 USIA-06 PRS-01

SP-02 OMB-01 OIC-02 SIL-01 /106 W

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E.O. 11652: N/A

TAGS: ETRD, GATT, UNCTAD

SUBJECT: GATT/UNCTAD INTERNATIONAL TRADE CENTER (ITC), TECHNICAL
COMMITTEE MEETING JAN 6-10

REF: GENEVA 6913

1. SUMMARY. TECHNICAL COMMITTEE (TECHCOM) OF THE JOINT
ADVISORY GROUP (JAG) CONCLUDED ITS WORK ON JAN. 10 AND
AGREED ON DRAFT REPORT WHICH WILL GUIDE JAG DISCUSSIONS
JAN. 14-17. THERE WERE NO SURPRISES, AND TO EXTENT THAT
MEMBER COUNTRIES WERE ABLE TO REACH COMMON UNDERSTANDING
ON INSTITUTIONAL QUESTIONS ASSOCIATED WITH ECOSOC RESOLUTION
1819 (LV) DESIGNATING ITC AS FOCAL POINT FOR EXPORT PRO-
MOTION ASSISTANCE WITHIN UN SYSTEM AND RETURN TO MORE TRADITION-
AL DISCUSSION OF ECNTER'S WORK PROGRAM AND POLICIES THERE
WAS SENSE OF ACCOMPLISHMENT. MOST CONTROVERSIAL TOPIC OF
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DEBATE CONCERNED DEVELOPING COUNTRY NEEDS FOR TRADE PROMOTION

ASSISTANCE AS OPPOSED TO TRADE POLICY ASSISTANCE, I.E., WHERE DOES ONE END AND THE OTHER BEGIN; WHEN COUNTRIES REQUEST TRADE PORMOTION ASSISTANCE ARE THEY IN FACT SEEKING TRADE POLICY ADVISE? QUESTION OF TECHCOM MEMBERSHIP WAS NOT PLACED ON AGENDA SINCE JAG CHAIRMAN MOEREL IS STILL ENGAGED IN INFORMAL CONSULTATIONS WITH GENEVA MISSIONS RE ACCEPTABILITY HIS LATEST PROPOSAL (SEE SEPTEL). END SUMMARY.

2. ITC WORK PROGRAM. TECHCOM ENDORSED 1975-1977 ITC COVERALL WORK PROGRAM INCLUDING INTER ALIA CONTINUED EMPHASIS ON INTEGRAGED ASSISTANCE PROJECTS, APPROPRIATE ASSISTANCE MEASURES FOR THE LEAST DEVELOPED, AND DEVELOPMENT OF IMPROVED FIELD STAFF PROGRAM GIVEN INCREASING IMPORTANCE OF FIELD OPERATIONS IN OVERALL ITC ACTIVITIES. IN LATTER CONNECTION, TECHCOM RECOMMENDED CREATION OF ITC TASK FORCE TO UNDERTAKE COMPREHENSIVE REVIEW OF FIELD STAFF PROBLEMS. TECHCOM ALSO GAVE QUALIFIED SUPPORT TO INDICATIVE FIGURES OF TWO MILLION DOLLARS PER YEAR RE EXPANSION IN ITC'S OVERALL PROGRAM FOR PERIOD 1975-1977, PROVIDED THAT SUCH EXPANSION PROCEEDS WITH APPROPRIATE BALANCE AS BETWEEN TECHNICAL ASSISTANCE AND BASIC RESEARCH AND MORE IMPORTANTLY THAT IT NOT OUTPACE EVOLUTION OF CENTER'S MANAGEMENT CAPABILITY.

3. ECOSOC RESOLUTION 1819 (LV). TECHCOM APPROVED REPORT AND RECOMMENDATIONS OF JAG WORKING PARTY (ITC/AG(VIII)/38/REV.1) WITH A NUMBER OF QUALIFICATIONS INCLUDING (A) THAT THE CENTER EXPLORE OTHER MEANS BESIDES REGULAR BUDGET FOR FUNDING OF ITC LIAISON OFFICERS ASSIGNED TO REGIONAL ECONOMIC COMMISSIONS AND (B) THAT ITC CO-OPERATION WITH REGIONAL ECONOMIC COMMISSIONS NOT EVOLVE IN MANNER DETRIMENTAL TO CENTER'S ROLE AS FOCAL POINT FOR TRADE PROMOTION ASSISTANCE WITHIN UN SYSTEM.

4. TRADE POLICY VERSUS TRADE PROMOTION ASSISTANCE. THIS WAS POTENTIALLY MOST CONTROVERSIAL TOPIC OF TECHCOM DEBATE. DISCUSSION OF THIS SUBJECT STIMULATED BY INDONESIAN INTERVENTION TO EFFECT THAT ITC IS DOING LIMITED OFFICIAL USE

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FINE JOB OF PROVIDING TRADE PROMOTION ASSISTANCE BUT THAT WHAT GOI REALLY NEEDS IS MORE ADVICE IN TRADE POLICY FIELD. HE THEN RAISED QUESTION OF WHETHER TECHCOM SHOULD BE ADDRESSING THIS PROBLEM. ITC DIRECTOR SANTIAPILLAI NOTED IN RESPONSE THAT ITC VIEWS TRADE POLICY AS A GIVEN ELEMENT OF COUNTRY'S OVERALL ECONOMIC STRUCTURE WHEN EXTENDING ASSISTANCE AND DOES NOT ATTEMPT TO OFFER TRADE POLICY ADVICE, WHICH

HE INDICATED, IS PURVIEW OF UNCTAD.

5. TECHCOM AGREED TO CONSIDER THIS QUESTION FURTHER AT ITS NEXT SESSION IN 1976 AND ASKED THAT ITC SECRETARIAT PROVIDE SOME ILLUSTRATIVE CASE STUDIES AS BASIS FOR SUCH CONSIDERATION.

6. DISTINCTION BETWEEN TRADE PROMOTION AND TRADE POLICY IS INCREASINGLY SENSITIVE ISSUE BETWEEN UNCTAD AND ITC, THE RESOLUTION OF WHICH WILL HAVE SIGNIFICANT BEARING ON SUCCESS OR FAILURE OF RECENTLY ADOPTED ARRANGEMENTS BETWEEN THESE TWO BODIES RE HANDLING OF UNDP-FINANCED PROJECTS. ITC'S PERCEPTION OF ITS ROLE IN THIS CONNECTION IS WELL-KNOWN TO USG AND WAS OUTLINED LAST APRIL IN WASHINGTON BY SANTIAPILLAI BOTH PRIVATELY WITH DEP ASSIST SECRETARY GLITMAN AND IN INTERAGENCY MEETING WITH REPRESENTATIVES OF STATE, AID, COMMERCE, AND STR.

7. THE UNCTAD SECRETARIAT (I.E., TECHNICAL ASSISTANCE COORDINATIVE UNIT) FOR ITS PART HOLDS VIEW THAT WHILE DEVELOPING COUNTRIES MAY OBTINENBLY REQUEST EXPORT PROMOTION ASSISTANCE, IN MOST CASES THEY IN FACT ARE SEEKING TRADE POLICY ADVICE. UPSHOT HAS BEEN SUBMITTED REQUESTS FOR TRADE PROMOTION ASSISTANCE TO UNDP RESIDENT REPS (WHO IN TURN FORWARD SUCH REQUESTS TO UNCTAD AS EXECUTING AGENCY FOR UNDP TECHNICAL ASSISTANCE) THESE REQUESTS HAVE FAILED TO REACH ITC AS PRESUMED UNDER UNCTAD/ITC FORMAL AGREEMENT. THEY INSTEAD WERE ACTED ON BY UNCTAD AS POTENTIAL REQUESTS FOR ASSISTANCE IN TRADE POLICY FIELD. WE DO NOT CONSIDER ARRANGEMENT WHICH PERMITS UNCTAD TO MAKE UNBRIDLED INCURSIONS INTO AREA OF NATIONAL TRADE POLICY

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ASSISTANCE TO BE IN BEST INTEREST OF USG AND RECOMMEND THAT CONCERNED WASHINGTON AGENCIES PAY CLOSE ATTENTION TO UNCTAD ACTIVITIES IN THIS CONNECTION DURING MONTHS AHEAD.

8. MEMBERSHIP OF TECHCOM. ALTHOUGH THIS QUESTION DID NOT ARISE DURING TECHCOM, IT HAS ALREADY LED TO CONFRONTATION AMONG GROUP B COUNTRIES FOLLOWING FIRST DAY OF JAG DISCUSSIONS (SEE SEPTEL). IN ADDITION, UNEXPECTED QUESTION OF ISRAELI STATUS ON TECHCOM HAS FURTHER COMPLICATED PICTURE. (ISRAELI REP (TALBAR) APPROACHED US DEL INFORMALLY DURING TECHCOM TO EXPRESS CONCERN THAT ROTATIONAL SCHEME PROPOSED BY MOEREL COULD LEAD TO EXCLUSION OF ISRAEL).

COMMENT: ISRAEL IS ONE OF ONLY TEN COUNTRIES THAT SENT
BONA FIDE EXPERTS FROM CAPITALS FOR THIS SESSION OF TECHCOM.
THIS YEAR, AS IN PAST, ISRAELI REP HAS BEEN AMONG
MOST ACTIVE AND CONSTRUCTIVE PARTICIPANTS. WE BELIEVE
IT WOULD BE HIGHLY UNDESIRABLE SHOULD FORMULA BE
ADOPTED WHICH DENIES EFFECTIVE ISRAELI INVOLVEMENT
IN TECHCOM PROCEEDINGS. IT IS RECOMMENDED THAT USG
TAKE THIS INTO ACCOUNT IN REACHING ULTIMATE DECISION
ON TECHCOM MEMBERSHIP. END COMMENT. DALE

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